



ABC123 Inc

**123 Somewhere Road, Suite XYZ, Washington, District of
Columbia, 12345, United States**

John Doe and [YOUR PARTNER's NAME], Partners

[YOUR PHONE NUMBER]

mail@abc123inc.com

2012 Business Plan

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The undersigned reader acknowledges that the information provided by ABC123 Inc in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of ABC123 Inc.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to ABC123 Inc.

Upon request, this document is to be immediately returned to ABC123 Inc.

Signature

Name (typed or printed)

Date

This is a business plan. It does not imply an offering of securities.

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1.0 Executive Summary

Introduction

The purpose of this Business Plan is to:

1. Set a course for the Company management to successfully manage, operate, and administer the business.
2. Inform grant providers, lenders and/or investors of the capital requirements being requested by the Company as well as its history, its projected future, and how the requested funding would give the Company the ability to add value to the local economy, generate tax revenues for local and federal government, and help put people back to work.

Location and General Business Contact Information

ABC123 Inc

Owners: John Doe and [YOUR PARTNER's NAME]

Address: 123 Somewhere Road Washington, [YOUR STATE/PVROVINCE] 12345

[YOUR PHONE NUMBER]

mail@abc123inc.com

The Company

ABC123 Inc (herein also referred to as the "Company") is a start-up business that was founded by John Doe and [YOUR PARTNER's NAME] who have structured the business as a partnership. The management of the Company possesses the skills, talent, education, and employment background required to effectively direct the Company.

The Company's vision is to provide the best possible combination of customer service quality, product quality, and price so that every customer feels they have received excellent value and is delighted to continue to purchase from the Company in the future, to be able to offer something for everyone, and to provide for the families of the Company owners.

Based on the financial projections contained within this Business Plan, the future of ABC123 Inc appears bright. With the diligent efforts of management, the Company is projected to experience sales growth, profitability, and positive cash flow over the three-year projection period.

Management has adopted a marketing strategy that is guided by the cost effectiveness of each advertising method and campaign. The Company's sales strategy is guided by statistical data which will be gathered on every sale and purchasing customer. A comprehensive financial plan that includes close monitoring of financial data, the use of professionals for legal, accounting and tax preparation needs, commitment in developing a strong banking relationship, and an exit strategy has also been adopted. By following this Business Plan, ABC123 Inc has the opportunity for continued growth and profitability for many years into the future.

Products and Services

The Company goal is to provide the finest in service quality relative to the price that the customer pays so that added value is realized each and every time. Its offerings include a gift shop, a coffee shop with baked goods, party rental items, fresh and silk flower arrangements, and candles.

The Market

The Company will provide its offerings to the general public in Washington, District of Columbia.

Financial Considerations

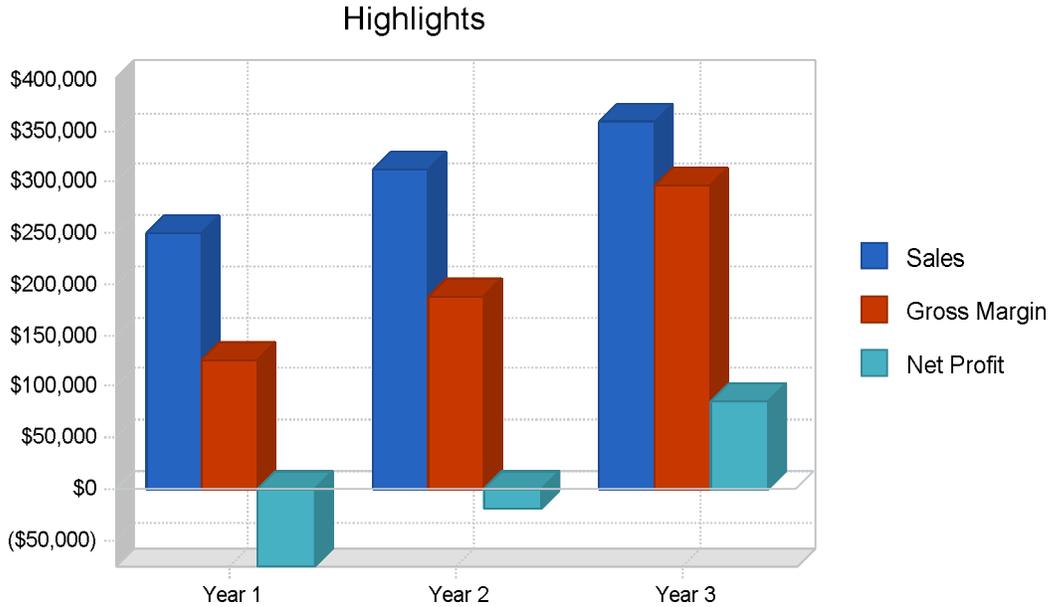
In addition to diligently following this Business Plan to maintain the safeguards for successful business operations and achieving the financial projections herein, the current financial plan of ABC123 Inc includes obtaining a capital injection through one of many government and/or private grant programs in the amount of \$450,000 sometime in the second quarter of 2013. The funding will be utilized for the following purposes and acquisitions:

- \$150,000 for inventory
- \$ 50,000 for shelving and displays
- \$ 50,000 for leasehold improvements
- \$ 50,000 for coffee shop equipment
- \$ 50,000 for customer seating, office furniture and equipment
- \$100,000 for start up expenses and working capital

The major focus for grant programs appropriate for ABC123 Inc would include those programs being offered to businesses that are 100% women owned and business that are expanding that will hire the unemployed.

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Chart: Highlights



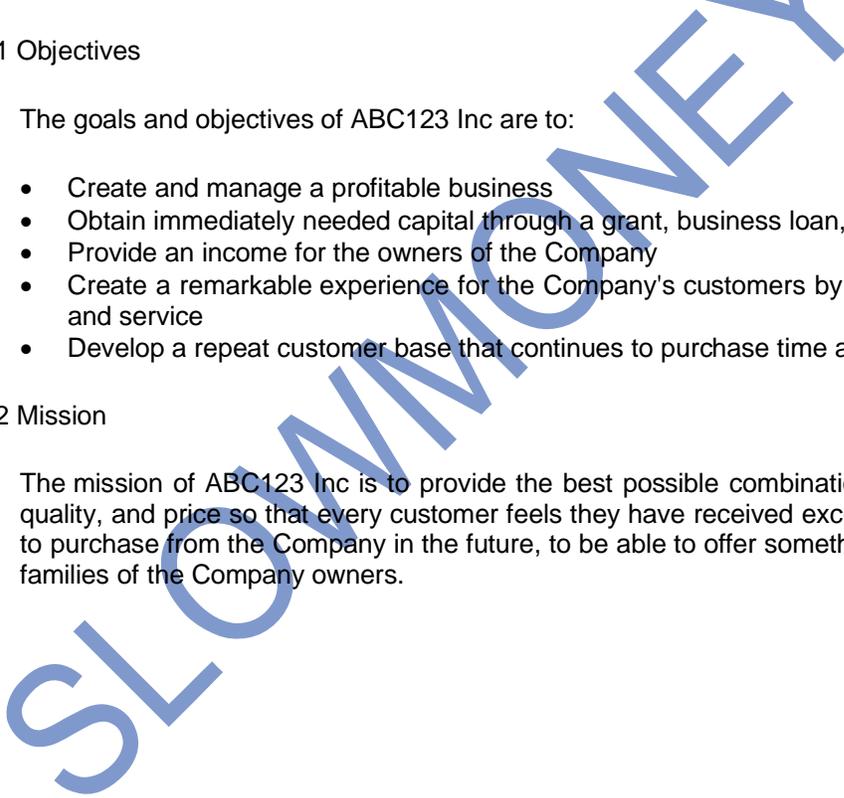
1.1 Objectives

The goals and objectives of ABC123 Inc are to:

- Create and manage a profitable business
- Obtain immediately needed capital through a grant, business loan, or private investor
- Provide an income for the owners of the Company
- Create a remarkable experience for the Company's customers by providing them with top notch products and service
- Develop a repeat customer base that continues to purchase time and time again

1.2 Mission

The mission of ABC123 Inc is to provide the best possible combination of customer service quality, product quality, and price so that every customer feels they have received excellent value and is delighted to continue to purchase from the Company in the future, to be able to offer something for everyone, and to provide for the families of the Company owners.



1.3 Keys to Success

Keys to the Company's success lie in management's ability to:

- Execute the business model as described in this Business Plan.
- Secure needed capital
- Reliably administer and manage the Company on a daily basis so that a successful and growth oriented business is developed and maintained.
- Attract new customers, retain existing customers, continue to grow sales, maintain or improve profit margins, control expenses, and meet or exceed the financial projections outlined within this Business Plan.
- Provide exceptional service to every customer so as to stimulate word-of-mouth referrals and repeat customers.
- The determination of the owners to make this Company successful and financially stable enough to support our families.

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2.0 Company Summary

ABC123 Inc is a start-up operation that is located in Washington, District of Columbia.

The business was very recently founded and will begin operations shortly after:

- This Business Plan is written and adopted by management
- A source for capital is located, approved and acquired
- Business space is acquired
- Pre-opening asset acquisitions are made
- Office and business equipment is set-up and operational
- Business space is operationally ready for business use

The Company provides residents of Washington and the surrounding area with a quaint gift shop, coffee shop with baked goods, party rental items, candles, fresh flowers, and silk flower arrangements.

2.1 Company Ownership

After extensive research and working closely with professionals to determine which form of organization would be best for the Company's circumstances, the founders chose to legally structure and organize the business as a partnership. This legal structure was chosen because it offers a means to minimize personal liability issues for the owners.

Company owners and their individual percentage of ownership include John Doe(50%) and [YOUR PARTNER's NAME](50%).

2.2 Explain Start-up Summary

Within the Start-Up table below, the cost of required pre-opening expenses and asset acquisitions are considered. Pre-opening costs normally include legal and professional fees, licensing, supplies, office furniture, shelving and displays, inventory, equipment such as coffee equipment and a computer system with Microsoft Office and an accounting software package, a broadband high speed internet connection, and a printer.

The capital requirements for pre-opening expenses and asset acquisition will be funded from the sources listed in the Start-Up Funding table that appears later in this Business Plan. The primary source of funding will be from a grant that is currently being researched. Once the appropriate grant and grant source are located, the grant request will be submitted shortly thereafter along with this Business Plan.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal and Professional	\$2,500
Licenses and Insurance	\$2,000
Training and Franchising Fees	\$0
Printed Materials	\$500
Rent and Utility Hookups and/or Deposits	\$6,000
Website	\$500
Other Miscellaneous Expenses	\$1,000
Total Start-up Expenses	\$12,500
Start-up Assets	
Cash Required	\$87,500
Other Current Assets	\$150,000
Long-term Assets	\$200,000
Total Assets	\$437,500
Total Requirements	\$450,000

2.2.1 Explain Start-up Funding

ABC123 Inc requires capital that will be used for pre-opening expenses, asset acquisitions, starting cash requirements, and working capital. The funding for the capital requirements will come primarily from a grant being requested in the amount indicated in the Start-Up Funding table (below). The grant amount is entered in the "Capital - Planned Investment" section of the table under the category of "Grants".

Table: Start-up Funding

Start-up Funding	
Start-up Expenses to Fund	\$12,500
Start-up Assets to Fund	\$437,500
Total Funding Required	\$450,000
Assets	
Non-cash Assets from Start-up	\$350,000
Cash Requirements from Start-up	\$87,500
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$87,500
Total Assets	\$437,500
Liabilities and Capital	
Liabilities	

Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Personal Assets or Borrowing of Owners	\$0
Silent Investors	\$0
Grants	\$450,000
Additional Investment Requirement	\$0
Total Planned Investment	\$450,000
Loss at Start-up (Start-up Expenses)	(\$12,500)
Total Capital	\$437,500
Total Capital and Liabilities	\$437,500
Total Funding	\$450,000

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3.0 Management Summary

John Doe and [YOUR PARTNER's NAME] are the founders and primary decision makers for the Company. They will perform and/or administer the day-to-day business operations as well as maintain the financial records for the Company.

3.1 Explain Personnel Plan

During the start-up and intermediate business stages, John Doe and John Doe will perform most of the Company's functions. It is assumed two part-time (25 hours per week at \$10 per hour) employees will be required to provide adequate customer service. It is assumed that no other salaried or hourly employees or any 1099 subcontracted laborers will be required.

Table: Personnel

Personnel Plan	Year 1	Year 2	Year 3
[NAME]	\$36,000	\$37,080	\$38,192
[NAME]	\$36,000	\$37,080	\$38,192
Part-time Employees (2)	\$26,000	\$26,780	\$27,583
Total People	4	4	4
Total Payroll	\$98,000	\$100,940	\$103,968

4.0 Services

General Service Information -

The Company provides a wide variety of products. Currently, the products being offered are typical of the Company's competitors and include those that are the most popular and in demand. In the future, management will rely on accumulated sales data and customer feedback to introduce new products or eliminate stale and unsuccessful products.

Specific Service Information -

The goal is to always provide the Company's customers with quality products so that great value is realized by every customer. This will be instrumental in maintaining repeat customers and in gaining first-time customers.

Current products being offered are:

- Gifts
- Coffee shop with baked goods
- Fresh and silk flower arrangements
- Party rentals
- Candles

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5.0 Market Analysis Summary

The broad target market for the Company includes Washington, District of Columbia. Research indicates that the national economy is beginning to strengthen and that sales should increase annually from current levels as long as the products we offer are of high quality and the service we provide is performed with excellence.

Of particular interest to customers seeking the products provided by ABC123 Inc are:

- Easily accessible location
- Ample free parking
- Excellent product quality and a wide, varied selection
- Fair pricing so value is realized for the money spent
- Friendly, courteous, smiling staff

5.1 Market Segmentation

Several market groups (segments) have been identified as critical targets for the continued success of ABC123 Inc. The definition of each market group (segment) is:

Primary Market - This segment consists of the Company's repeat customers. The objective will be to find ways to further develop repeat customers into extremely loyal and long-time customers that purchase repeatedly.

Secondary Market - This segment consists of first-time customers. The objective will be to find ways to further develop first-time customers into repeat customers.

Tertiary Market - This segment consists of every person residing in District of Columbia. The objective will be to identify the most popular products, identify the people in this segment that are most likely to purchase our products, and follow Company sales strategies to attract new customers who make their first purchase.

5.2 Target Market Segment Strategy

Primary Market -

- Construct a sophisticated website that highlights the benefits of continuing to choose our Company over competitors, fully explains our offerings, and promotes sales.
- Collect as much sales and personal data as possible on repeat customers to assist management in creating both immediate and long-term marketing plans for this market segment.
- Formulate and adopt additions and/or revisions to the marketing and sales strategies within this Business Plan once sufficient sales and personal data has been gathered.
- Develop a marketing campaign to contact all repeat customers via text, email, telephone, or mailer to keep the Company name fresh and recognizable in their minds and to promote their continued patronage.
- Consider rewarding referrals from existing customers, strong repeat customers, or other customer groups that have earned a reason to save money on future purchases.

Secondary Market -

- Construct a sophisticated website that highlights the benefits of continuing to choose our Company over competitors, fully explains our offerings, and promotes sales.
- Collect as much sales and personal data as possible on first-time customers to assist management in creating both immediate and long-term marketing plans for this market segment.
- Formulate and adopt additions and/or revisions to the marketing and sales strategies within this Business Plan once sufficient sales and personal data has been gathered.
- Develop a marketing campaign to contact all first-time customers via text, email, telephone, or mailer to keep the Company name fresh and recognizable in their minds and promotes their continued patronage.
- Consider rewarding referrals from existing customers or other customer groups that have earned a reason to save money on future purchases.

Tertiary Market -

- Management must keep in mind that advertising to the masses is far more difficult and expensive than advertising to an existing customer base by making certain advertising dollars are wisely spent.
- Construct a sophisticated website that highlights the benefits of choosing our Company over competitors, fully explains our offerings, promotes sales, and builds business awareness and credibility.
- Collect as much demographic data as possible on potential area customers to assist management in creating both immediate and long-term marketing plans for this market segment.
- Formulate and adopt additions and/or revisions to the marketing and sales strategies within this Business Plan once sufficient sales and personal data has been gathered.
- Optimize search engines to drive potential customers to the Company's website.
- Use social media outlets such as Facebook, Twitter, and MySpace to enhance search engine placement and inform the general public of the Company.
- If appropriate, create an internet social network based through the Company website.
- Explore and experiment with free advertising websites such as www.craigslist.org and similar sites.
- Flyer and/or postcard distribution to target customer groups
- Business card distribution to everyone with whom you come in contact.
- Yellow Pages advertising (both online and hard cover) - keep in mind if you are trying to attract customers in the under 55 age group, they search the Yellow Pages online (www.yellowpages.com) while older customers still prefer the old fashioned way of looking up information.
- Attend public social functions and networking groups.
- Offer to be a guest speaker at local volunteer and civic organizations that meet regularly such as Optimists Club, Exchange Club, Rotary, Lions, and similar organizations.
- Consider becoming part of the local Chamber of Commerce to promote awareness of the Company and to build credibility.
- Reach out to other neighborhood business owners to see if working as a team would be of benefit to both entities.
- Newspaper advertising, especially in small neighborhood or ethnic publications.

5.2.1 Strengths

- A comprehensive written Business Plan
- The skills and talents of the dedicated, hardworking, and trustworthy Company management team
- A solid marketing strategy, sales strategy, financial plan, and milestone review system that will ensure the longevity of the Company
- Financial projections that predict growing sales, profits, and net worth if capital funding can be obtained
- Location within a community that is historically loyal to local businesses
- Owners are hard working and dedicated with strong families and many ties to the community

5.2.1.1 Weaknesses

- Immediate capital requirements
- Start up business

5.2.1.1.1 Opportunities

- The ability to properly serve our target market like no others has done before.
- Company growth and prosperity for years to come if required capital is obtained.

5.2.1.1.1.1 Threats

- Severe local or national economic downturn
- Catastrophic uninsured loss from fire, wind, theft, vandalism, or embezzlement
- Overnight taste changes that render Company assets obsolete
- New, extremely well capitalized competitors with the business strategy of price gouging to destroy competition

5.2.1.1.1.2 SWOT Analysis

Potential future threats facing ABC123 Inc include devastating economic downturn, catastrophic uninsured loss, rapid technological change, buying pattern change, or extremely well capitalized competition willing to price gouge to destroy competition.

The future of the Company is positive if these unlikely threats do not materialize. There are several notable opportunities available and the Company's strengths far exceed its weaknesses. The management of ABC123 Inc is talented, skilled, hard working and knowledgeable in their decision to obtain and adopt this Business Plan. It gives Company management the groundwork to develop a thriving business.

The financial projections contained herein predict future success if the capital requirements of the Company can be remedied through grant funding. With the capital injection being requested, the only weakness left to conquer will be the Company's short time in business.

5.2.1.1.1.2.1 Competitive Edge

- Management's tenacious desire to succeed in providing customers with the highest quality products and service
- Management's decision to adopt a solid, written Business Plan, marketing strategy, sales strategy, financial plan, and milestone review system

5.3 Marketing Strategy

General Strategy -

Escalating public interest in the newest communication devices is well documented and has become an important part of everyday life for virtually every age group and ethnic background. Modern communication methods such as texting, emails, social websites, blogs, and a sophisticated Company website must be an integral part of the Company's marketing strategy for it to become successful and remain successful.

Every effort should be made to develop printed and publically available marketing pieces in an identical and consistent manner. Company "branding" means advertisements, flyers, business cards, letterhead, forms, marketing items, and the Company website will all have identical design, color, logo, and appearance features. By branding the Company at this early stage, the public will immediately identify and recognize a marketing piece as belonging to the Company once they have been sufficiently exposed.

Not more than 10% of annual gross sales will be allocated to the marketing budget. Regardless of what type of marketing campaign is developed, management must make a conscious effort to research and gather data supporting the campaign, test it, and analyze the direct expenses associated with the campaign against its potential profit to determine whether the campaign is cost justified.

Marketing research and data gathering should include the development of a customer contact information database that can be used for email, text, telephone or mail advertising campaigns.

Future consideration should be given to any discount idea that assists in referral business through word-of-mouth advertising, in converting first-time customers into repeat customers, or in developing repeat customers into extremely loyal and constantly purchasing repeat customers.

Website Strategy -

Research indicates that an easy-to-use website significantly increases sales. A sophisticated website is vital to our marketing strategy for attracting new customers and retaining existing customers. The website needs to have an appealing appearance, yet simple and clean. It must encourage sales. Offerings must be arranged in a way that ensures each potential customer entering the site can easily browse through them and find relevant information, illustrations and descriptions. The capability for online purchase and payment would be ideal.

The design of the Company's website will encourage sales if it is quick and easy to use. By ensuring that the website is intuitive (easy to navigate and simple to use), the Company will ensure that potential customers who enter the website will end up purchasing. Research indicates that too many websites that are not intuitive lose customers who migrate through the site, often putting items in their shopping cart, yet leave without purchasing anything. Therefore, an easy, intuitive website is of utmost importance.

All offerings listed on the website will be set up to be easily updated by management or staff so that products are always fresh and up-to-date. It must also be easy for potential customers to browse and search for items and information.

To ensure safety and security for purchasing customers, a purchase and payment capable website will be supported by PayPal financial transaction processing.

It is anticipated that it may take up to three months for the Company website to become fully operational since some or all of the site construction, text, illustrations, and testing will be completed by management rather than by hiring professionals. This is being done save the cost of professional assistance. However, if management determines the benefits of the most modern and sophisticated of websites is cost justified, professionals will be hired.

5.3.1 Service Business Analysis

In the Company's industry, competition is fierce. The industry has an assortment of competing businesses with many of them having more time in business, better name recognition, and a clearer, better defined reputation for the products they provide. The management of Knick

ABC123 Inc must continue to develop and fine tune marketing and sales strategies to counteract stronger competitors while taking advantage of the weaknesses of less strong competitors. The best way to accomplish this is to obtain as much knowledge as possible about the Company's direct competitors.

5.3.1.1 Competition and Buying Patterns

Even though the Company and its offerings are unique in many regards, management must never lose sight of the fact that customers seeking the products offered by ABC123 Inc have many options. For that reason alone, management must be knowledgeable and actively aware of the Company's competition. They must be cognizant of their offerings, pricing, strengths, weaknesses, and marketing. And, they must be ready to react to competition as changes occur.

At the same time, management must be fully aware of customer buying patterns for the products the Company offers and must proactively take steps to alter sales and marketing strategies and advertising methods as customer buying patterns change as the result of advancing technology, new methods of accomplishing an old task, and ever changing individual tastes and styles.

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5.4 Explain Sales Forecast

The table and charts below show forecasts for Sales and Direct Cost of Sales. Annual figures for the three-year projection are shown. Monthly projections for Year 1 are included in the appendix.

The important assumptions of the Sales Forecast include:

- Sales are expected to grow quickly during Year 1, followed by more gradual growth in Year 2 and Year 3. Sales growth for Year 2 over Year 1 is projected at 25.0% and for Year 3 over Year 2 the projection is 15.0%.
- Despite management's continued efforts to seek ways to reduce Direct Cost of Sales, the projection is for this category to remain constant at 50.0% throughout the entire three-year projection period.

Table: Sales Forecast

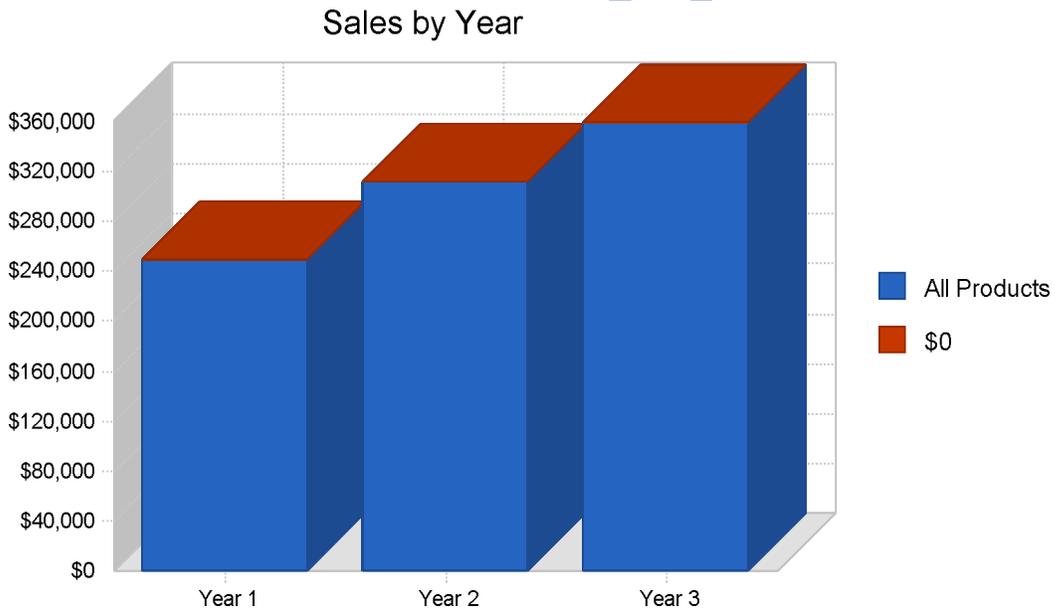
Sales Forecast			
	Year 1	Year 2	Year 3
Sales			
All Products	\$250,000	\$312,500	\$359,375
	\$0		
Total Sales	\$250,000	\$312,500	\$359,375
Direct Cost of Sales			
All Products	Year 1 \$125,000	Year 2 \$125,000	Year 3 \$62,500
	\$0		
Subtotal Direct Cost of Sales	\$125,000	\$125,000	\$62,500

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Chart: Sales Monthly



Chart: Sales by Year



5.5 Sales Strategy

The sales plan is to begin to actively promote the Company and its offerings as soon as possible. The Company exists to attract new customers and maintain existing customers for the purpose of making sales to them. If we adhere to this maxim, everything else will fall into place.

Our sales and marketing strategies must be developed in unison and must find ways to bring in new customers, followed by converting first-time customers into repeat customers, followed by maintaining repeat customers and giving them reason to purchase time and time again.

The Company's sales strategy is based on capturing only a very small percentage of the tertiary market segment (general public), converting over 50% of the secondary market segment (first-time customers) to the primary market segment (repeat customers), and maintaining near 100% of the primary market segment (repeat customers).

An important strategy to increase sales and new customers is to inject as much relevant, accurate, and original product description and illustration as possible, regardless of how the information is distributed to the customer. This is especially true of the Company website where it is important to give potential customers the information they need to make their purchasing decision online.

Other sales strategies that are important to note include:

- Selling our mission to constantly provide exceptional products and customer service to every customer
- Selling the benefits of choosing our Company over our competitors
- Selling through strong listening and communication skills
- Selling through logic, suggestion and customer education as opposed to selling through fast talk and hype
- Selling through the use of a sophisticated website, a solid customer database, and the use of modern technology and communication methods

5.5.1 Strategy and Implementation Summary

The management of ABC123 Inc has adopted this Business Plan together with its marketing strategy, sales strategy, exit strategy, and financial plan. Their intent is to implement all strategies immediately and diligently uphold them throughout the existence of the Company.

5.6 Milestones

In order to achieve the financial projections outlined in this Business Plan, the Company's management has strategically planned for a series of events (milestones) that must be carried out. The Milestone Table (below) is a listing of the most important events and/or projects that must be completed. For each milestone, a projected start date, end date, budget (if necessary), and leader responsible for the milestone's successful completion has been or will be assigned.

Management will review and update the Milestones Table often because of their critical importance to the Company's growth and operational efficiency. The review will include new milestones to be added, completed milestones to be deleted, and the revision of end dates and/or budgets.

Milestones already included are:

- Business plan written
- Financing application written and submitted
- Financing approved and funded
- Business space located and acquired
- Asset acquisitions complete
- Assets installed and operational
- Computer software installed and operational
- Customer contact information databases operational
- Detailed marketing and sales plans discussed, adopted and implemented
- Website constructed, tested, and operational
- Personnel hired and/or trained
- Business space operational and ready for first day of business

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6.0 Financial Plan

This Business Plan is used by the management of ABC123 Inc as a road map to its success. It is an indispensable tool for the ongoing performance and improvement of the Company, and it will be referred to often as management plots its business course. Management commits to reviewing this Business Plan on a regular basis to make certain financial projections remain accurate and strategies remain pertinent as the economy, technology, communication methods, and customer demographics change.

These essential management principles will be emphatically followed in an effort to keep the Company strong and ongoing:

- Even though sales are expected to grow aggressively in Year 1, gross profit will likely be soft until management has sharpened its operational, sales, and marketing skills.
- After Year 1, sales growth will be controlled and more moderate. This will occur as management develops its database of demographic and contact information on first-time and repeat customers. Once a sufficient database is compiled, management will be able to develop marketing and sales strategies that concentrate more on first-time and repeat customer marketing than it was able to prior to database compilation.
- The cash balance will always be positive to allow the Company to grow financially through cash flow rather than through new debt. In the case of nominal monthly cash flow shortages, the private resources of the owners will be used to finance them. Once the Company becomes more established and proves its creditworthiness, management may opt to request a line of credit from its financial institution to accommodate nominal cash flow and seasonal needs.
- The majority of residual profits will be invested back into the Company for capital retention, net worth enhancement, debt reduction and expansion.
- As the Company becomes more established and proves its creditworthiness, management may opt to request suppliers to sell to the Company on account. If granted, this will result in the ability to control and even out future cash flow.
- Dividend distributions can be taken by the owners whenever desired. However, dividend distributions should not be taken if sales, profit, and/or cash projections do not materialize at projected levels as this could place a burden on the Company's cash balance. As a general rule, no more than 50% of the current cash balance should be distributed at any one time as dividend distributions so as not to burden the Company's cash position and jeopardize its operational cash requirements.

Financial Statement Review -

Management will review and evaluate the financial condition of the Company on a monthly basis. It is imperative that the following financial items be reviewed to make certain key financial indicators are within an acceptable range of the projected amount. Key financial indicators to review, and compare to projections include:

- Sales
- Cost of Goods Sold
- Gross Profit Margin
- Inventory
- Expenses
- Cash Flow
- Industry Profile Ratios

Small variances (defined as less than 10.00% above or below) in the Company's financial indicators and ratios compared to either Business Plan projections or Industry Profile Ratios should be expected. However, variances of above or below 10.00% could indicate the Company is not operating efficiently, is not controlling expenses, or is not utilizing its assets and resources at maximum capacity.

If variances above or below 10.00% persist, management will investigate the cause for the variance, consider modifying the financial projections, and/or consider purchasing an Industry Benchmarking Report that will analyze, identify, and list multiple options for correcting the variance.

Accounting, Tax Preparation, and Legal –

Management will be seeking professionals to handle services beyond their scope of expertise. These functions are too critical to leave to amateurs. Losses are staggering when the combined results of late payment fees, missed supplier terms, late tax filing penalties, unused or incorrect tax deductions, and mishandled contracts and agreements are considered.

Banking Relationship –

It is management's intention to establish a banking relationship on behalf of the Company as soon as possible since it is unwise to inter-mingle personal funds with business funds. Therefore, the first order of banking business will be to open a business checking account from which to pay accounts payable and other expenses. However, before a deposit relationship is established with any financial institution, management will make certain the institution chosen also offers other business banking services that may be useful in the future. It is management's intention to establish the Company's deposit relationship with a bank that can also provide lines of credit for potential future cash flow and working capital needs, and loans for future long-term asset acquisition.

Exit Strategy -

The financial projections within this Business Plan indicate that the Company will have generated enough cash over the next three years to permit the exit of a small outside investor if they should desire to be reimbursed their investment. A small outside investor is defined as one who has invested an amount that is less than or equal to the Year 3 ending cash balance.

It is management's intention to continue with the Company's profitable operations until presented with a viable offer for acquisition.

If, in the future, the Company should falter without outstanding investors, loans, or accounts payable, management will simply liquidate the Company's assets and notify authorities of the discontinuation of the entity. On the other hand, if in the future, the Company should falter with outstanding investors, loans, or accounts payable, management will seek legal counsel and make decisions on behalf of the Company based on their professional recommendations.

6.1 Explain General Assumptions

The following assumptions in short-term and long-term borrowing rates and income tax rates were made in order to formulate this Business Plan:

- Short term borrowing interest rates will remain at a consistent level throughout Year 1, followed by an increase of 0.50% in Year 2, and an additional increase of 0.50% in Year 3.
- Long term borrowing interest rates will continuously maintain a 1.00% margin over short term borrowing interest rates throughout the three-year period.
- Federal income tax rates are assumed to be 0.00% on Company profits. This federal income tax rate is an estimate based on the legal structure of the Company with 0.00% being the federal income tax rate for partnerships since federal income taxes are paid personally by the entity owners.

Table: General Assumptions

General Assumptions	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	4.50%	5.00%	5.50%
Long-term Interest Rate	5.50%	6.00%	6.50%
Tax Rate	0.00%	0.00%	0.00%
Other	0	0	0

6.2 Explain Projected Profit and Loss

The following Projected Profit and Loss table and charts illustrate sales, operating expenses, and profitability for the next three years. A monthly projection for Year 1 is found in the appendix. The following assumptions were made when preparing the Projected Profit and Loss:

- Assumptions made previously in this Business Plan for start up expenses and asset acquisition, start up funding, sales, profit margins, and personnel are unchanged and are carried forward to the Profit and Loss table.
- Marketing and Advertising will increase from the Year 1 total by 3.0% in Year 2 and by an additional 3.0% in Year 3.
- Depreciation is calculated on long-term assets such as office furniture and equipment using a straight-line depreciation method and a five-year expected asset life.
- Depreciation is calculated on long-term assets such as real estate, renovations, and leasehold improvements using a straight-line depreciation method and a 28.5-year expected asset life.
- Insurance and Employee Benefits will increase from the Year 1 total by 10.0% in Year 2 and by an additional 10.0% in Year 3.
- All other expenses not mentioned above will increase from the Year 1 total by 3.0% in Year 2 and by an additional 3.0% in Year 3.
- It is expected that the Company will become marginally profitable during the three-year projection period. This will be primarily due to strict cost control and maintaining low overhead.

Table: Profit and Loss

Pro Forma Profit and Loss	Year 1	Year 2	Year 3
Sales	\$250,000	\$312,500	\$359,375
Direct Cost of Sales	\$125,000	\$125,000	\$62,500
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$125,000	\$125,000	\$62,500
Gross Margin	\$125,000	\$187,500	\$296,875
Gross Margin %	50.00%	60.00%	82.61%
Expenses	Year 1	Year 2	Year 3
Payroll	\$98,000	\$100,940	\$103,968
Marketing and Advertising	\$3,000	\$3,090	\$3,183
Depreciation	\$31,752	\$31,752	\$31,752
Rent	\$30,000	\$30,900	\$31,827
Utilities	\$7,200	\$7,416	\$7,638
Insurance	\$1,800	\$1,980	\$2,178
Legal, Professional, and Consulting	\$1,500	\$1,545	\$1,591
Payroll Taxes	\$14,700	\$15,141	\$15,595
Employee Benefits	\$0	\$0	\$0
Office & Misc. Supplies	\$1,200	\$1,236	\$1,273
Repairs, Maintenance, & Cleaning	\$600	\$618	\$637
Licenses, Permits & Fees	\$0	\$0	\$0
Telephone	\$2,400	\$2,472	\$2,546
Shipping & Postage	\$3,000	\$3,090	\$3,183
Contract Labor	\$0	\$0	\$0
Car or Truck Expense	\$0	\$0	\$0
All Other Expenses	\$6,000	\$6,180	\$6,365
Total Operating Expenses	\$201,152	\$206,360	\$211,737
Profit Before Interest and Taxes	(\$76,152)	(\$18,860)	\$85,138
EBITDA	(\$44,400)	\$12,892	\$116,890
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0
Net Profit	(\$76,152)	(\$18,860)	\$85,138
Net Profit/Sales	-30.46%	-6.04%	23.69%

Chart: Profit Monthly

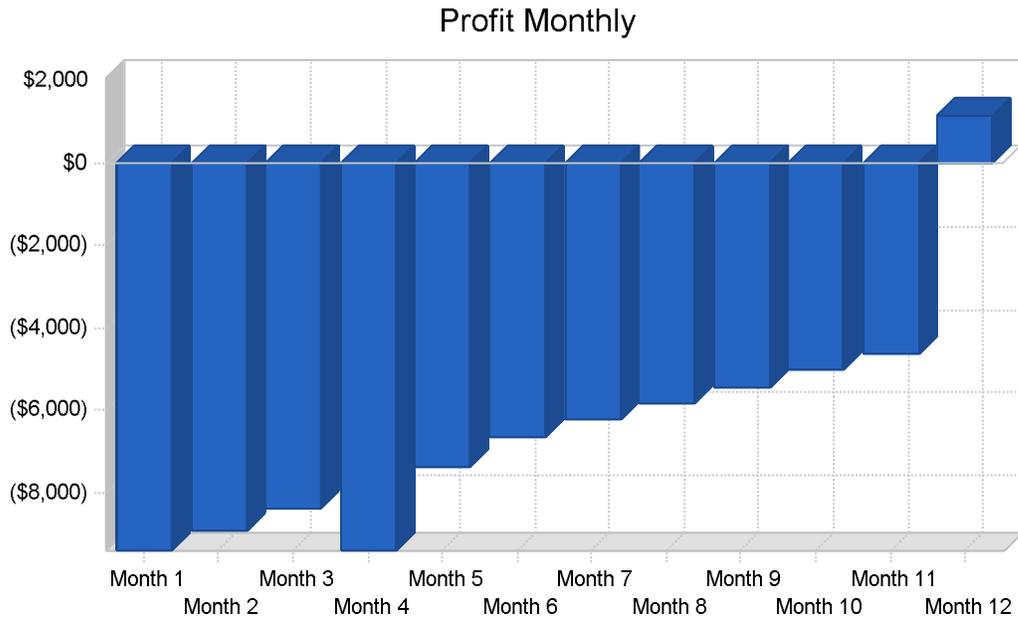


Chart: Profit Yearly

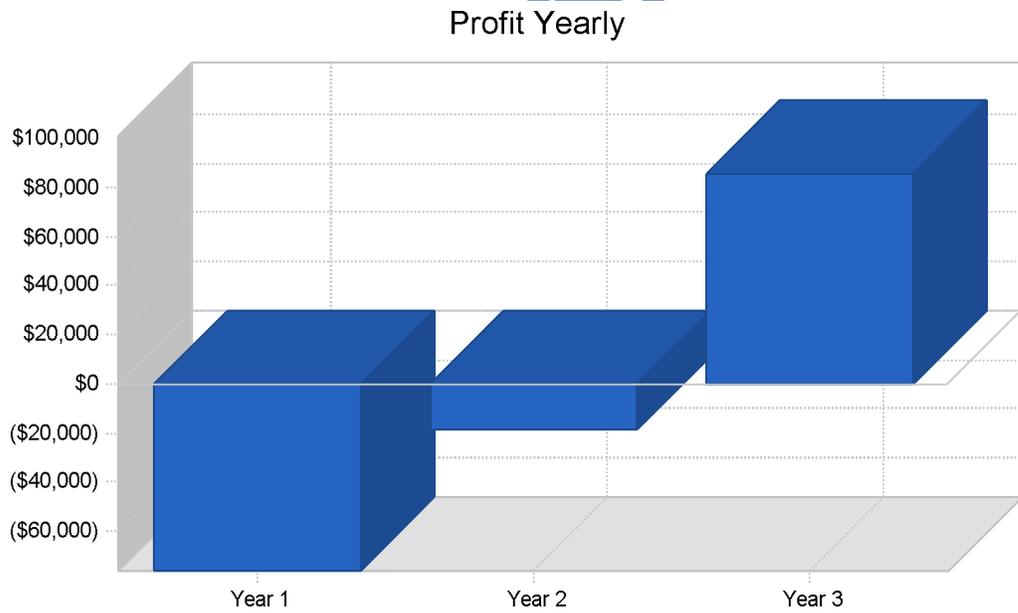


Chart: Gross Margin Monthly

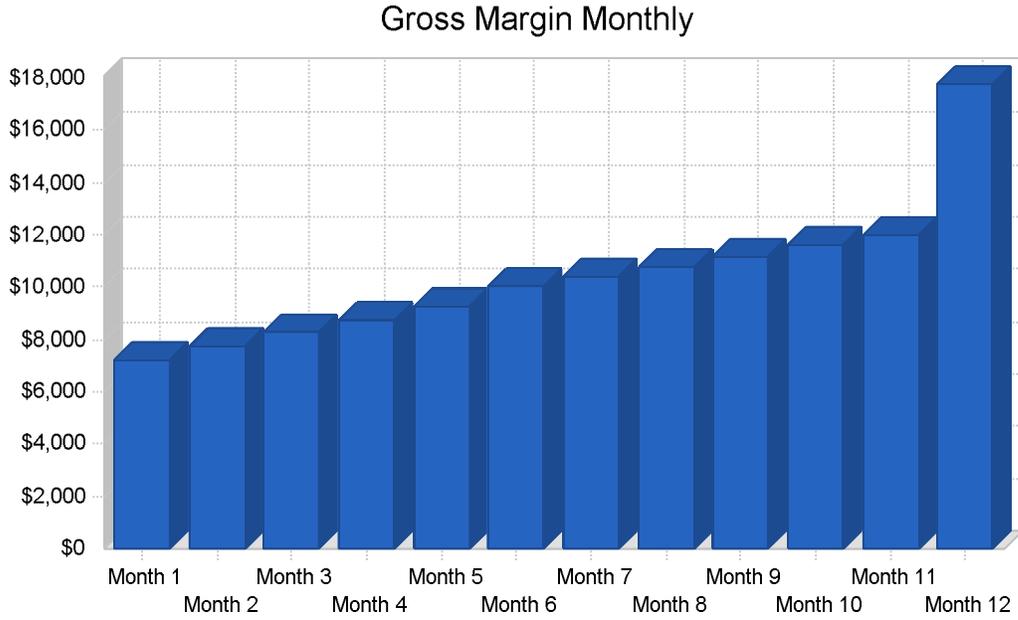
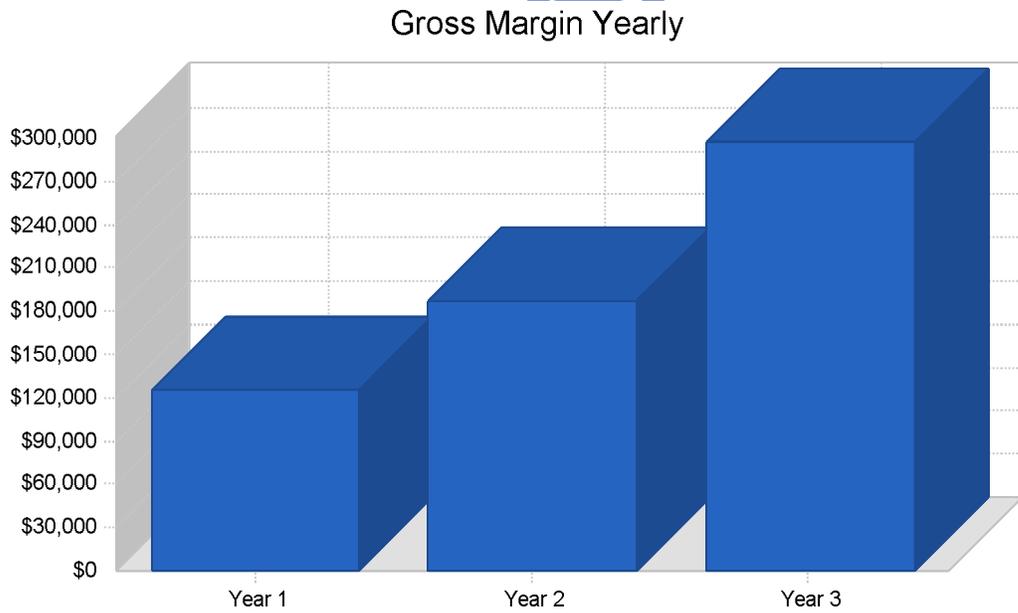


Chart: Gross Margin Yearly



6.3 Explain Break-even Analysis

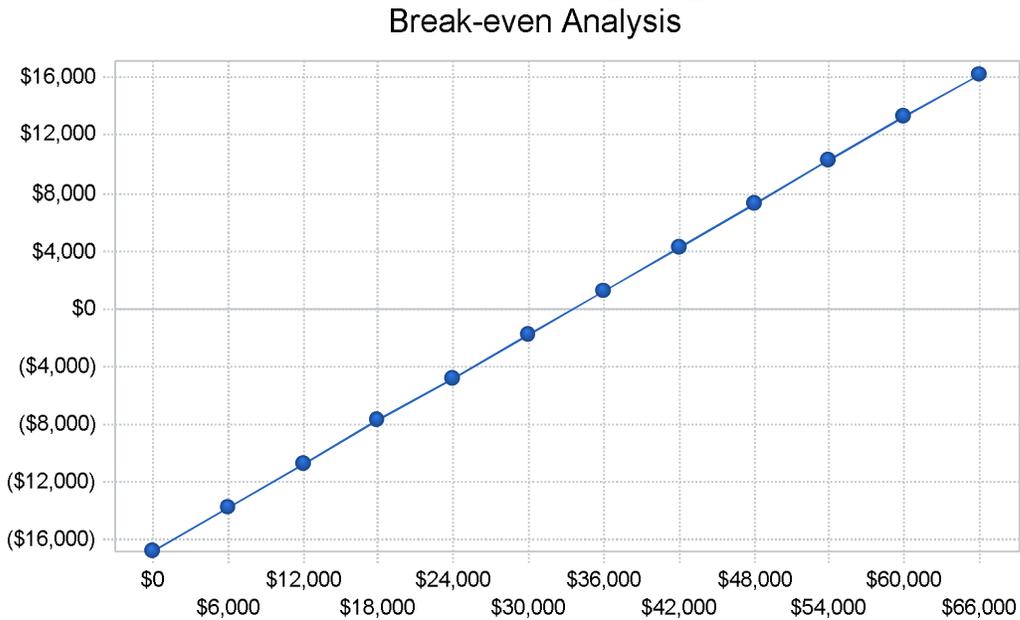
The monthly break-even point is shown in the table and chart below. It is based on the Company's conservatively forecasted monthly expenses, cost of sales, and gross margins.

Even though the plan is to reach this break-even goal and become profitable sometime during the first three years in business, management prefers to project conservatively to make certain cash balances are not strained.

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	\$33,525
Assumptions:	
Average Percent Variable Cost	50%
Estimated Monthly Fixed Cost	\$16,763

Chart: Break-even Analysis



6.4 Explain Projected Cash Flow

The Projected Cash Flow is summarized in the table below. The projection for cash indicates that each year within the three-year projection will end with a positive accumulated cash flow total.

With continued sales growth, cost controls, and gross margin maintenance, the financial projections contained in this Business Plan should allow ABC123 Inc to maintain a positive cash flow and cash balance for years to come. This indicates the Company will have the ability to sustain its operational cash requirements and provide Company ownership with dividend distribution.

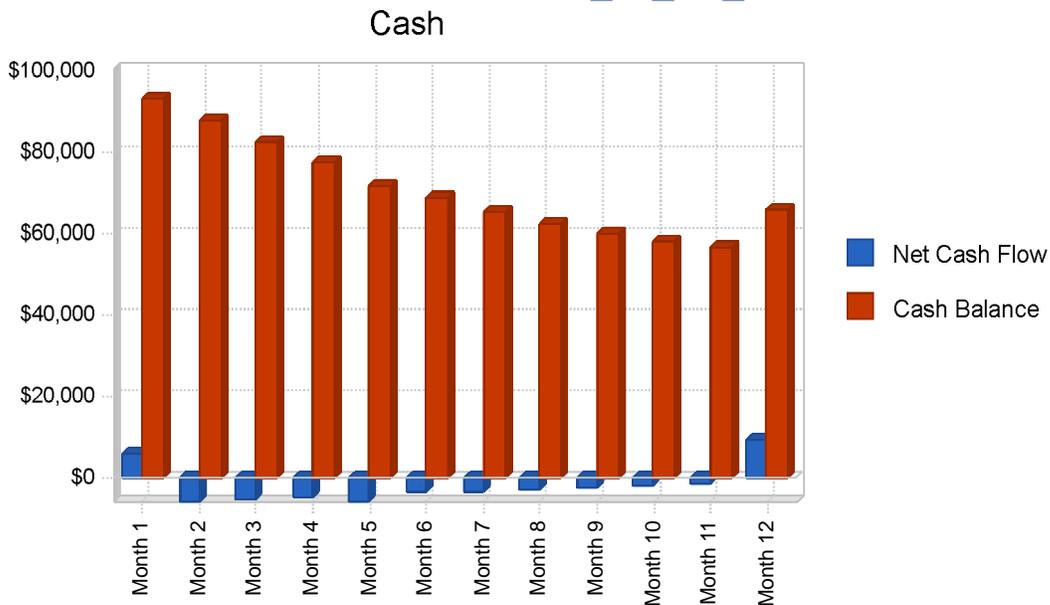
For clarification, dividend distribution in addition to their salaries can be taken by owners whenever desired. However, even though loan repayment (if applicable) has been accounted for in the Projected Cash Flow, dividend distribution has not been accounted for in the Projected Cash Flow. Therefore, the ending cash balance for Year 3 represents the total cash that would be available for dividend distribution if all financial projections are accurate.

Table: Cash Flow

Pro Forma Cash Flow	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$250,000	\$312,500	\$359,375
Subtotal Cash from Operations	\$250,000	\$312,500	\$359,375
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$250,000	\$312,500	\$359,375

Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$98,000	\$100,940	\$103,968
Bill Payments	\$173,611	\$205,128	\$143,461
Subtotal Spent on Operations	\$271,611	\$306,068	\$247,429
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$271,611	\$306,068	\$247,429
Net Cash Flow	(\$21,611)	\$6,432	\$111,946
Cash Balance	\$65,889	\$72,321	\$184,267

Chart: Cash Flow



6.5 Explain Projected Balance Sheet

The Balance Sheet table (below) shows the Pro-Forma Balance Sheet projections. As is illustrated, the asset base will grow through accumulated cash balances and retained earnings will grow through accumulated net profits.

Based on these financial projections, the management of ABC123 Inc expects to build a business with a solid balance sheet for years to come.

Table: Balance Sheet

Pro Forma Balance Sheet	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$65,889	\$72,321	\$184,267
Other Current Assets	\$150,000	\$150,000	\$150,000
Total Current Assets	\$215,889	\$222,321	\$334,267
Long-term Assets			
Long-term Assets	\$200,000	\$200,000	\$200,000
Accumulated Depreciation	\$31,752	\$63,504	\$95,256
Total Long-term Assets	\$168,248	\$136,496	\$104,744
Total Assets	\$384,137	\$358,817	\$439,011
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$22,789	\$16,329	\$11,385
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$22,789	\$16,329	\$11,385
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$22,789	\$16,329	\$11,385
Paid-in Capital	\$450,000	\$450,000	\$450,000
Retained Earnings	(\$12,500)	(\$88,652)	(\$107,512)
Earnings	(\$76,152)	(\$18,860)	\$85,138
Total Capital	\$361,348	\$342,488	\$427,626
Total Liabilities and Capital	\$384,137	\$358,817	\$439,011
Net Worth	\$361,348	\$342,488	\$427,626

6.6 Explain Business Ratios

The Ratios table (below) summarizes the Company's key business ratios. The ratios are calculated using the year-end projected totals for each of the next three years.

For comparison purposes, key Industry Profile ratios are also summarized. These ratios are calculated using the statistical data of all United States's businesses in the same industry classification and of similar size to ABC123 Inc.

When comparing Company ratios to Industry Profile ratios, small variances (defined as more than or less than 10.00% in either direction) are to be expected. Management will take special note of Company ratios that vary from Industry Profile ratios by more or less than 10.00% to make certain cash and assets are being utilized efficiently and operations are making effective use of resources.

Table: Ratios

Ratio Analysis	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	25.00%	15.00%	-1.54%
Percent of Total Assets				
Other Current Assets	39.05%	41.80%	34.17%	42.11%
Total Current Assets	56.20%	61.96%	76.14%	83.22%
Long-term Assets	43.80%	38.04%	23.86%	16.78%
Total Assets	100.00%	100.00%	100.00%	100.00%
	Year 1	Year 2	Year 3	Industry Profile
Current Liabilities	5.93%	4.55%	2.59%	42.57%
Long-term Liabilities	0.00%	0.00%	0.00%	47.50%
Total Liabilities	5.93%	4.55%	2.59%	90.06%
Net Worth	94.07%	95.45%	97.41%	9.94%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	50.00%	60.00%	82.61%	26.00%
Selling, General & Administrative Expenses	80.46%	66.04%	58.92%	9.57%
Advertising Expenses	1.20%	0.99%	0.89%	0.47%
Profit Before Interest and Taxes	-30.46%	-6.04%	23.69%	2.88%
Main Ratios				
Current	9.47	13.62	29.36	1.57
Quick	9.47	13.62	29.36	1.10
Total Debt to Total Assets	5.93%	4.55%	2.59%	90.06%
Pre-tax Return on Net Worth	-21.07%	-5.51%	19.91%	154.49%
Pre-tax Return on Assets	-19.82%	-5.26%	19.39%	15.35%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	-30.46%	-6.04%	23.69%	n.a
Return on Equity	-21.07%	-5.51%	19.91%	n.a
Activity Ratios				
Accounts Payable Turnover	8.62	12.17	12.17	n.a

Payment Days	27	36	37	n.a
Total Asset Turnover	0.65	0.87	0.82	n.a
Debt Ratios				
Debt to Net Worth	0.06	0.05	0.03	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	\$193,100	\$205,992	\$322,882	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	1.54	1.15	1.22	n.a
Current Debt/Total Assets	6%	5%	3%	n.a
Acid Test	9.47	13.62	29.36	n.a
Sales/Net Worth	0.69	0.91	0.84	n.a
Dividend Payout	0.00	0.00	0.00	n.a

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Appendix

Table: Sales Forecast

Sales Forecast	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales All Products	\$14,500	\$15,500	\$16,500	\$17,500	\$18,500	\$20,000	\$20,800	\$21,600	\$22,400	\$23,200	\$24,000	\$35,500
Total Sales	\$14,500	\$15,500	\$16,500	\$17,500	\$18,500	\$20,000	\$20,800	\$21,600	\$22,400	\$23,200	\$24,000	\$35,500
Direct Cost of Sales All Products	Month 1 \$7,250	Month 2 \$7,750	Month 3 \$8,250	Month 4 \$8,750	Month 5 \$9,250	Month 6 \$10,000	Month 7 \$10,400	Month 8 \$10,800	Month 9 \$11,200	Month 10 \$11,600	Month 11 \$12,000	Month 12 \$17,750
Subtotal Direct Cost of Sales	\$7,250	\$7,750	\$8,250	\$8,750	\$9,250	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$17,750

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Appendix

Table: Profit and Loss

Pro Forma Profit and Loss		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales		\$14,500	\$15,500	\$16,500	\$17,500	\$18,500	\$20,000	\$20,800	\$21,600	\$22,400	\$23,200	\$24,000	\$35,500
Direct Cost of Sales		\$7,250	\$7,750	\$8,250	\$8,750	\$9,250	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$17,750
Other Costs of Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales		\$7,250	\$7,750	\$8,250	\$8,750	\$9,250	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$17,750
Gross Margin		\$7,250	\$7,750	\$8,250	\$8,750	\$9,250	\$10,000	\$10,400	\$10,800	\$11,200	\$11,600	\$12,000	\$17,750
Gross Margin %		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Expenses													
Payroll		\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,163
Marketing and Advertising		\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Depreciation		\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646
Rent		\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Utilities		\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Insurance		\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Legal, Professional, and Consulting		\$0	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	15%	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,224
Employee Benefits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office & Misc. Supplies		\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Repairs, Maintenance, & Cleaning		\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Licenses, Permits & Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Shipping & Postage		\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Contract Labor		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Car or Truck Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Expenses		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Total Operating Expenses		\$16,638	\$16,638	\$16,638	\$18,138	\$16,638	\$16,638	\$16,638	\$16,638	\$16,638	\$16,638	\$16,638	\$16,633
Profit Before Interest and Taxes		(\$9,388)	(\$8,888)	(\$8,388)	(\$9,388)	(\$7,388)	(\$6,638)	(\$6,238)	(\$5,838)	(\$5,438)	(\$5,038)	(\$4,638)	\$1,117
EBITDA		(\$6,742)	(\$6,242)	(\$5,742)	(\$6,742)	(\$4,742)	(\$3,992)	(\$3,592)	(\$3,192)	(\$2,792)	(\$2,392)	(\$1,992)	\$3,763
Interest Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit		(\$9,388)	(\$8,888)	(\$8,388)	(\$9,388)	(\$7,388)	(\$6,638)	(\$6,238)	(\$5,838)	(\$5,438)	(\$5,038)	(\$4,638)	\$1,117
Net Profit/Sales		-64.75%	-57.34%	-50.84%	-53.65%	-39.94%	-33.19%	-29.99%	-27.03%	-24.28%	-21.72%	-19.33%	3.15%

Appendix

Table: Cash Flow

Pro Forma Cash Flow	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	\$14,500	\$15,500	\$16,500	\$17,500	\$18,500	\$20,000	\$20,800	\$21,600	\$22,400	\$23,200	\$24,000	\$35,500
Subtotal Cash from Operations	\$14,500	\$15,500	\$16,500	\$17,500	\$18,500	\$20,000	\$20,800	\$21,600	\$22,400	\$23,200	\$24,000	\$35,500
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$14,500	\$15,500	\$16,500	\$17,500	\$18,500	\$20,000	\$20,800	\$21,600	\$22,400	\$23,200	\$24,000	\$35,500
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,167	\$8,163
Bill Payments	\$436	\$13,092	\$13,592	\$14,142	\$16,042	\$15,100	\$15,838	\$16,238	\$16,638	\$17,038	\$17,438	\$18,017
Subtotal Spent on Operations	\$8,603	\$21,259	\$21,759	\$22,309	\$24,209	\$23,267	\$24,005	\$24,405	\$24,805	\$25,205	\$25,605	\$26,180
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$8,603	\$21,259	\$21,759	\$22,309	\$24,209	\$23,267	\$24,005	\$24,405	\$24,805	\$25,205	\$25,605	\$26,180
Net Cash Flow	\$5,897	(\$5,759)	(\$5,259)	(\$4,809)	(\$5,709)	(\$3,267)	(\$3,205)	(\$2,805)	(\$2,405)	(\$2,005)	(\$1,605)	\$9,320
Cash Balance	\$93,397	\$87,638	\$82,380	\$77,571	\$71,862	\$68,595	\$65,390	\$62,584	\$60,179	\$58,174	\$56,568	\$65,889

Appendix

Table: Balance Sheet

Pro Forma Balance Sheet													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Assets	Starting Balances												
Current Assets													
Cash	\$87,500	\$93,397	\$87,638	\$82,380	\$77,571	\$71,862	\$68,595	\$65,390	\$62,584	\$60,179	\$58,174	\$56,568	\$65,889
Other Current Assets	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Total Current Assets	\$237,500	\$243,397	\$237,638	\$232,380	\$227,571	\$221,862	\$218,595	\$215,390	\$212,584	\$210,179	\$208,174	\$206,568	\$215,889
Long-term Assets													
Long-term Assets	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Accumulated Depreciation	\$0	\$2,646	\$5,292	\$7,938	\$10,584	\$13,230	\$15,876	\$18,522	\$21,168	\$23,814	\$26,460	\$29,106	\$31,752
Total Long-term Assets	\$200,000	\$197,354	\$194,708	\$192,062	\$189,416	\$186,770	\$184,124	\$181,478	\$178,832	\$176,186	\$173,540	\$170,894	\$168,248
Total Assets	\$437,500	\$440,751	\$432,346	\$424,442	\$416,987	\$408,632	\$402,719	\$396,868	\$391,416	\$386,365	\$381,714	\$377,462	\$384,137
Liabilities and Capital	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Current Liabilities													
Accounts Payable	\$0	\$12,639	\$13,123	\$13,606	\$15,539	\$14,573	\$15,298	\$15,684	\$16,071	\$16,458	\$16,844	\$17,231	\$22,789
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$12,639	\$13,123	\$13,606	\$15,539	\$14,573	\$15,298	\$15,684	\$16,071	\$16,458	\$16,844	\$17,231	\$22,789
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$12,639	\$13,123	\$13,606	\$15,539	\$14,573	\$15,298	\$15,684	\$16,071	\$16,458	\$16,844	\$17,231	\$22,789
Paid-in Capital	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Retained Earnings	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)	(\$12,500)
Earnings	\$0	(\$9,388)	(\$18,276)	(\$26,664)	(\$36,052)	(\$43,440)	(\$50,078)	(\$56,316)	(\$62,154)	(\$67,592)	(\$72,631)	(\$77,269)	(\$76,152)
Total Capital	\$437,500	\$428,112	\$419,224	\$410,836	\$401,448	\$394,060	\$387,422	\$381,184	\$375,346	\$369,908	\$364,870	\$360,231	\$361,348
Total Liabilities and Capital	\$437,500	\$440,751	\$432,346	\$424,442	\$416,987	\$408,632	\$402,719	\$396,868	\$391,416	\$386,365	\$381,714	\$377,462	\$384,137
Net Worth	\$437,500	\$428,112	\$419,224	\$410,836	\$401,448	\$394,060	\$387,422	\$381,184	\$375,346	\$369,908	\$364,869	\$360,231	\$361,348

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